

Table 8

Initial Summary of Staff Recommendations for Medicaid Transformation - August 2008

	Budget Initiatives	Recommendation
B1	Pharmacy:Expand PDL with mental health	Revise Kansas law to allow for the inclusion of selected mental health medications on the Medicaid PDL and prior authorization lists. Use the newly established specialized Preferred Drug List (PDL) advisory committee for medications used to treat mental health conditions.
B2	Public Insurance Outreach	Promote community based outreach by placing state eligibility workers on-site at high-volume community health clinics around the state.
B3	Quality review for fee-for-service	Obtain funding for new collection of data from beneficiaries and providers participating in its fee-for-service programs to evaluate performance, identify opportunities for improvement, and facilitate comparability across programs.
	Administrative Initiatives	Recommendation
A1	Home health reforms and increase	Limit home health aide visits; develop separate acute and long term home health care benefits with differential rates that reflect the intensity of services over time.
A2	Durable medical equipment price reforms	Require DME suppliers to show actual costs of all manually priced DME items, ensuring reimbursement no greater than 135% of cost. Review potential overpayments and coverage usage issues, specifically for oxygen service.
A3	Transportation broker	Issue a request for proposal (RFP) to outsource management and direct contracting for Medicaid transportation benefits to a private broker in order to increase scrutiny, right-size reimbursement, and generate modest net savings to the state.
A4	Tighten payment for Hospice	Enhance scrutiny of retro-active authorizations for hospice services; review of concurrent Home and Community Based Services (HCBS) stays; increased scrutiny of pharmaceutical coverage and spending, and potential reviews for extended patient stays.
A5	Pharmacy; Auto/Expanded PA	Purchase an automated prior authorization (PA) system to ease and expand use of PA.
	Revenue-Dependent Initiatives	Recommendation
RD1a	Eligibility at 100% FPL for caretakers	Expand access to care for needy parents by standardizing program rules for caretakers and increasing the income limit to 100% FPL (\$1,467 per month for a family of 3).
RD2	Dental services for adults	Extending preventive and restorative coverage to adults enrolled in Medicaid.
RD3	Expand Medicare buy-in	Increase the Protected Income Limit for medically needy (primarily elderly and disabled people who do not yet qualify for Medicare) so that it is tied to the FPL.
RD4	Raise Medically needy thresholds	Increase the number of people on Medicare who have access to full prescription drug coverage.
RD5	Financing initiatives (e.g., revenue from cigarette or provider tax)	Develop specific revenue and financing recommendations for presentation to the KHPA Board in fall 2008.
	No Fiscal Impact	
N1	Inpatient and Outpatient Hospital Services	Adopt severity adjusted payment system for inpatient services (MS-DRGs) and review outpatient reimbursement and emergency room use.

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N2	Laboratory and Radiology	Review coverage of new procedures and explore adoption of Medicare system as starting point for reimbursement of all lab and radiological services.
N3	HealthWave	Make performance and health status quality data available for consumers, policy makers and other stakeholders in FY2009.
N4	HealthConnect	Examine MediKan expenditures in detail to identify cost-drivers and policy options.
N5	Medical Services for the Aged and Disabled	Convene stakeholders to help evaluate and design a care management program for the aged and disabled to be presented to the board in 2009.
N6	Emergency Health Care for Undocumented Persons (SOBRA)	Monitor charges in border state policies regarding immigrants and assess the impact on Kansas.

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